

**THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM**  
**MEETING OF THE BOARD OF DIRECTORS**  
**MEETING NOTES**  
**February 6, 2019**

**Present:**

Treasurer John McMillan, Chair  
Mr. Marc Green for Dr. David Bronner  
Mr. Robert Bradley  
Ms. Sarah Calhoun for Chancellor Jimmy Baker  
Ms. Maria Campbell  
Dr. Ken Tucker  
Mr. Tommy Dismukes

**Absent:**

Ms. Michelle Granberry  
Rep. Bill Poole  
Sen. Trip Pittman  
Mr. Sandy Hammer  
Gen. Paul Hankins  
Ms. Patti Lambert  
Mr. Kelly Butler  
Dr. James Purcell

**Others present include:**

Ms. Daria Story, Assistant Treasurer  
Ms. Anita Kelley, Program Director  
Mr. Daniel Autrey, Deputy Treasurer  
Ms. Brittany Carter, Treasury External Affairs  
Ms. Amanda Parrish, PACT  
Ms. Lee Ann Herron, Regions  
Mr. George McCurdy, Regions  
Ms. Diane Steinhilber, Jackson Thornton  
Mr. Dan Sherman, Sherman Actuarial Services (by phone)

Pursuant to written and public notice, the quarterly meeting of the Board of Directors of the PACT Program was held in the Board Room of the RSA Headquarters on February 6, 2019. The meeting was called to order by Chair John McMillan at 1:00 p.m.

Roll was taken without a quorum present.

Chair McMillan appointed Gen. Paul Hankins as Vice Chair and Anita Kelley as Secretary.

Chair McMillan presented the minutes of the November 14, 2018 board meeting. The minutes will be presented for approval at the next board meeting.

Chair McMillan asked Anita Kelley for a program report. Ms. Kelley provided information on program activities, plan assets, revenues and disbursements, and the budget for fiscal year 2019. She discussed tuition payments and stated the program paid out benefits in the amount of \$25.7M to 7083 students from October 1 through December 31. She stated that the client portal was active as of 1/14/19 and notices were mailed out informing all active account owners of the portal and login instructions. A transfer from the Education Trust Fund in the amount of \$16,539,000 was received on 10/02/18. The report was received as informational.

Chair McMillan called on Regions to present the quarterly investment report. Mr. McCurdy presented an economic and financial market update that included an overview and outlook of the economy along with risks and opportunities regarding the market. He discussed the performance of the portfolio versus the benchmark and said the portfolio earned .96% for the quarter and 1.46% year to date which underperformed the benchmark by .22% and .14 respectively. The report was received as informational.

Chair McMillan called on Dan Sherman with Sherman Actuarial Services to present the quarterly actuarial report. He stated the asset value as of 12/31/18 was \$105,573,010. Mr. Sherman provided a summary of funding and compared the 12/31/2018 assets and liabilities to the 09/30/2018 numbers and noted the funded ratio is currently 123.6% compared to the 09/30/2018 of 120.2%. He also reviewed a spreadsheet of the projected cash flow through year 2032. The report was received as informational.

Chair McMillan called on Diane Steinhilber with Jackson Thornton to present the annual audit report for the 2018 fiscal year. Ms. Steinhilber provided a summary of the Independent Auditor's Report that included the management's responsibility for the financial statements and the auditor's responsibilities as well as their unqualified opinion. She discussed the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. Ms. Steinhilber stated that there were no noted deficiencies in internal controls. No instances of non-compliance, or other matters that are required to be reported were found. The report was received as informational.

Chair McMillan stated the Statement of Economic Interest forms are due by 4/30/18.

Chair McMillan stated that the PACT Annual Report was submitted to the Governor and the legislature as required.

There being no further business to be discussed, the meeting adjourned at 1:47 p.m.